

# President's News Conference on Foreign and Domestic Matters

Following is a transcript of President Reagan's news conference in Washington last night, as recorded by The New York Times:

## OPENING STATEMENT

Good evening, I have a statement. Nearly a year ago tonight, I told the American people that we were entering a heady year against the crisis we inherited. Double-digit inflation, record interest rates and soaring taxes were all coming down.

Well, tonight we can be pleased that our economy is strong and getting stronger. We still have a long way to go, but good news on personal income, real earnings, factory orders, industrial production, housing starts, auto and retail sales are solid signs of hope.

And I have one other important piece of good news. I'm pleased to announce tonight that we are revising upward our projection of this year's economic growth from 4.7 to 5.3 percent. America's economy is beginning to sparkle.

Sustaining strong growth and keeping inflation and interest rates down require bipartisan cooperation from the Congress. We must understand that disciplined spending and tax increases threaten the recovery.

By trying to increase taxes permanently with their tax cap, liberals in the Congress have renounced John F. Kennedy's criteria for growth and opportunity — meaningful tax-rate reductions for every working American. Their tax cap not only will not become law, because fairness is not slapping tax increases on 2.4 million

small businesses, 300,000 family farms and millions of middle-income married couples who file joint returns.

Fairness is not appealing to envy, pitting group against group. And fairness is not resulting in a tit-for-tat hard work, savings, risk-taking and investment that we need to create more jobs.

True fairness means honoring our word. It means encouraging and rewarding every citizen who strives to excel and help make America great again.

So in three days, the American people will begin receiving the full and final 10 percent of their tax cut. This will be followed by indexing in 1985.

A typical family's tax bill will be about \$700 less than if our tax cut had not been passed. Our challenge is to protect and strengthen this hard-won recovery. And that means preventing inflation and interest rates from flaring up again.

For the good of the country, I appeal to the Congress to work with me to refrain from raising taxes. Concentrate on restraining spending and we'll keep America's doors open for growth and greater opportunity for all our people.

And now I imagine you have a few things on your mind that you'd like to talk about. Jim.

## QUESTIONS AND ANSWERS

### Debate Material

Q. Regarding the Carter debate material obtained by your 1980 campaign organization, do you think it was right or wrong to keep this material, to use it for your advantage, and also to think it's O.K. to keep someone on your staff who did indeed handle this material?

A. Well now, Jim, to try to answer your several questions there, first of all, I never knew until you people made it public in the press a few days ago that there ever had been such material in possession of any people in our campaign organization. I never saw anything of the kind, and as I recall the debate, I don't recall any particular use that could have been made of anything of that kind because having found the papers they must have been referring to that some of our people do recall seeing. There wasn't anything of campaign strategy in those. They were the type of thing that would be in the campaign — positions that they would take on my positions, their achievements and what they thought their Administration had achieved. We probably had side-by-side the same kind on our side.

But everything that was used in that debate had been used over and over again on the campaign trail. And I like to call to your attention also that the two contestants do not set the tone of the debate or the agenda. The two contestants are the people who are going to talk about. And unless they had some material in advance, we answered the questions that they asked.

Now, the other thing is that in an effort to get at that you ask about or wrong, we have turned over everything that we have been able to find that we had to the Justice Department and here as you all I think have seen and are going to see if you haven't, almost two full pages, is everything that we turned over to the Justice Department with my request that they monitor this very carefully and if they find that there was any incidence of wrong doing on the part of anyone in our organization — or anyone in the Carter organization — then take whatever action is appropriate.

But to get to the bottom of this, because no one ever, it seems strange to me that since I was the debtor, not one of our side ever mentioned to me anything of this kind, or that they had anything of the kind of things that supposedly were in there.

As a matter of fact, some of the things that were said there were all my own.

Q. Was it right to have this material back then at that time or should you have followed the example known about in another case where this material came into someone's possession and was returned unopened? We don't want it, send it back. Should that have been the way this was handled or was it proper to look at this material even having received it?

A. Well, I don't know that it came in any kind of a cover or anything to denote what it was. As I've said, I've asked the Justice Department to find out if there was anything improper going on or anything that was done in any way or any wrongdoing and take whatever action is necessary. But since it never got to the debate, what purpose did it serve?

### Central American Policy

Q. Mr. President, Jim Wright said at the White House today that there are some in Congress who don't believe that this Administration wants peace in Central America. And your aides acknowledge that the policy supporting your Central American policy have gone down and the people seem to be moving away from that. And I have a follow-up. But how do you account for this?

A. Well, Helen, I think there's a lot of misinformation that's out there. I do know that after I addressed the Joint Session of Congress and the people on television on that subject, there was a decided shift in favor of our position.

But then I guess that proves the power of advertising. Things to waste a constant drumbeat ever since. I made one speech but then the drumbeat, ever since to the people, is somewhat devastating our position there.

and indicating that there's something wrong in that position.

And maybe we haven't done what we should've done in keeping the people informed of what is going on. Because there's — very definitely there are thousands of Soviets and Cubans — well Soviets in Cuba.

There is a great number of them also in Nicaragua. There are thousands of Cubans, including the two generalists — most experienced generals — in Nicaragua.

Several Congressmen have just come back from there and have told me that in speaking to people on the campaign trail, we're against — high-ranking people that they have told them that this is a revolution that is for one country. This is a revolution that is aimed at all of Central America.

And I think some of you should seek out those Congressmen and hear some of the things that they have to say. Because as they've been told, they're not one individual even suggesting that in a limited period of time they would be at the Arizona-Mexico border.

I think the United States has a stake in what is going on there. And I think we've got to do a better job of telling the people know what is at stake.

### Talks With Rebels

Q. Mr. President, what is it that prevents you from talking to the Sandinistas, to the representatives of the rebels in El Salvador? I mean to at least explore negotiations. And I mean would it really harm the Salvadoran Government if you made that approach?

A. The fact is, the Salvadorans have business either. The Salvadorans have appointed a peace commission that is made up of people who may be able to make contact but trying to persuade the revolutionaries — the Marxists — to come to — to come in and discuss with them how they can accept amnesty and join in the electoral democratic process that will be taking place. And so far, they've had nothing but turn-down.

On the other side, in Nicaragua, it is simply reversed. It is the democratic revolutionaries who are outed and the revolution was successful, while the Marxists took over and created the totalitarian form of government. And all they want, all they're fighting, is to return to the principles of the revolution that overthrew Somoza: free elections, human rights, a free press, all those things.

It isn't a case of us not wanting to talk. We've — or in my Administration we made contact with Mr. Castro. Nothing came of it and we haven't had much success since. Every — ah, I'll come back to it.

### Ethical Implications

Q. Mr. President, I'd like to try that right-and-wrong question once again, just to see how you evaluate this. Do you see these questions about the Carter briefing book as important, really important, possessing ethical implications? Or is it just a matter of a highly political effort by the Democrats? One that you find you must address simply because it has political implications?

A. Godfrey, how could you think that there was anything political in this? I happen to agree with House Speaker Tip O'Neill, who said today that he didn't think the debate would have turned out any differently one way or the other, and they thought the thing ought to go away and he didn't think there ought to be a Congressional investigation. And I think he was speaking with words of profound wisdom.

Just as a matter of curiosity and following — because I know that some of you have been around a campaign knows the reams of paper, the reams of proposals and plans that are put to you — that were passed over, and I can understand his very well not having paid any attention. He wasn't looking at the papers. He was looking at a cover or anything. And, as I say, evidently the book that I was being peddled to many of you is not what

A U.S. military adviser talking with Honduran troops Monday at training camp in Honduras, which is being readied for training of Salvadoran soldiers. President Reagan said at news conference that "there's a great lack of information on the part of the people" on U.S. policy in Central America.

was in our possession. No one that we've talked to said that they saw these papers at one time or other. None of them say they ever saw that book that the strategy book.

Q. Mr. President, what was in the possession of former campaign officials who now work in this Administration was over 500 pages of various materials, including some that were clearly strategic. Some that gave very specific information. One memo came from some Carter staff members who were brainstorming about the debate. And I get back to the question of what you think about the ethics. Your press spokesman has said that this is nothing new in politics. Would you condone this? Do you condone this type of campaign — your campaign — would you condone it? It is in the future campaign that you might run?

A. No, and it's never been characteristic of me. I've been in. And again I repeat, I've never heard anything about this until you started talking about it. And obviously it was never passed to me for any use in a campaign.

But the thing is that I want the Justice Department to determine, I know many have carelessly used a term that did someone steal something from the White House. And I know anyone that would try that's pretty foolish.

But I think it should be determined — was there a disgruntled worker in the Carter campaign who did something of that kind? But find out who it was and then take action. It is improper or illegal, then take action. Q. Mr. President, to follow, even if —

— Everybody's following up here. Q. Even if it's not illegal, how do you feel about the ethics of it? How do you feel about the fact that all the participants, your C.I.A. Director is the only one who had absolutely no recollection, yet he was the man in charge, he was the campaign manager?

A. Which is why he'd be the fella that would be on as quickly as he got it. I do that with some papers sometimes, too, now. I don't look, but I know that they could be handled by someone else.

Q. The ethical question?

A. What?

Q. The ethical question, sir.

A. The ethical question? I think that campaigning has always in the eyes of the people had a kind of a double standard. And I have deplored it. And that is that people have said — people that are otherwise totally honest — have said when they're in a campaign, things, they've said, oh, well, you know, politics.

Well, I don't happen to believe politics should have a double standard. No, I think it should be above reproach. And there shouldn't be unethical things in a campaign. And I think that's the kind of things like that.

Q. Mr. President, even though there shouldn't be a double standard, your chief of staff, Mr. Baker, says he had this material and knew it was obtained from the Carter camp. He doesn't know how. Mr. Stockman, who helped prepare you for the campaign, he used the material and found it useful. Do you intend to reprimand him? Or the staff who they correct them?

A. No. The stuff they had again was not what is in this final book. It was not campaign strategy. And I don't see anything that I've heard that they found in those papers are the positions that they were the kind of things that I had, where staff would tell me — here's a list of the things you've accomplished as Governor. And I think that's the kind of things that you should be talking about. And it was this type of thing, I think. I think Dave Stockman meant, although he can speak for him-

## Issue of Troops

Q. Mr. President, you have said that you are not going to send any combat troops into Central America. But at the same time, you have said that El Salvador and the rest of the region is of our vital national security and of crucial importance to our country. Isn't there, therefore, an inconsistency in those two statements? If you think it is that much of an importance to our country, why do you say you will never send combat troops in?

A. Well, Presidents never say never. I said that we have no plans to send combat troops, nor are they needed or wanted. President Magana here said so, that he would not ask for them, he doesn't want them. And I don't think the other countries do. I think they want to create their own democracies and continue on the path they're on.

But they do, frankly, need our help in two areas. They need us to help them with training, to provide arms and munitions so that they can defend themselves while they're instituting these democratic programs. And they need our economic help.

And so far, our help has been three-fold. Three-fourths of our help has been in the area of economic relief, and only one-fourth military.

Q. What if the Congress who want to whittle this down to where it is a pittance — they don't say, "No, we won't give you anything; give you a few dollars here and a few dollars there." In my opinion, what they're doing is choosing between instant death and letting the country bleed to death. And then they want to be able to blame somebody else, because they passed a bill instead of a dollar.

And all that these countries want from us is this economic help and the military help we're giving them. You know, it's a funny thing that there's 1,500 Cubans training in Nicaragua, and there's 55 Americans in El Salvador, and all everyone seems to think is a sis is sis.

Q. Mr. President, you say though that you'll never say never. You're not giving a pledge to the American people, then, that you will not send combat troops in. Is that right?

A. That's a hypothetical question, so I gave a hypothetical answer. And it's an old saying that the President should never say never. You know, they blew up the Maine.

But, no, I see no need for it. They're not going to be asked for. Nor do we have any plans or intention of sending troops to those countries, Gary?

## Rich Man's President

Q. Mr. President, even on the eve of this crisis phase you tax cut that you mentioned earlier, the polls continue to show that between 80 and 70 percent of the people still consider you to be a rich man's President, with no idea of what the people who aren't wealthy are going through out there and are unfair to the poor. How does that make you feel? And what, if anything, can you do to change that perception? Are you doing any — you're doing a lot more in your opening statement about it so I mean — your pollsters say it's your biggest problem. What do you do to change that?

A. Well, Gary, I know this has been hung on me and you asked how I felt. I was very frustrating. I was raised in poverty and I remember very well what poverty is. And I remember what it was like in the Great Depression — that's one of the advantages of being my age. Now there are many of you here who've only read about it.

And to suggesting this unfairness that's first of all, what is more unfair to the low-income people than the double-digit inflation that we had for two years a row before we got here. A person that was only getting \$2,000 a year, in one year he was only getting — he only had \$4,000 worth of purchasing power; \$10,000 had \$8,000 in purchasing power.

The people who were getting — I remember in California, we raised the Federal aid to children, the aid to children program, we raised it three times and the grants and aid. And yet at the end of the grants and aid, the purchasing power that they had before we had to start making the raises. That's one thing we've done.

The other thing, with all the talk about budget talks and so forth, if anyone ever studied what it is we've done in many of the social programs, yes, we have taken some 800,000 people off food stamps because their incomes were about 150 percent or more of the poverty level. But we have four million more people getting food stamps because we redistributed more and more money in spending on food stamps down to people that were below that level — at the poverty level or below that level.

The same is true in many of the things, the school lunch programs, the aid to college students and so forth. We redistributed it from the rich. We believed should've been able, had incomes that would've enabled them to not only help a child in — that they were sending to college, but they were in a market where they could afford to borrow.

We redirected that down and increased what we were doing for the people that were in poverty. I don't only know from my own background — and someday let me give you my recipe for oatmeal meat, I thought I was a hungry kid. I was a kid. I found out my mother was saving money on meat.

I just — my feeling, and it's very deep within me, this: No, no, no, I don't need my help and I'm not doing things to help the rich. I'm doing things that I think are fair to all of the people.

But what I want to see above all is that this country remain a country where someone can always get a hand on this subject. I thought I had another line there for a minute that I was going to use but maybe it's just as well that I don't use it.

## Papers Investigation

Q. Mr. President, to get back to the case of the Carter briefing papers — you said that you wanted the Justice Department to monitor this case. Does monitor mean that they're going to do their own investigation of it? And also, since these serious questions are being raised about people who now hold senior positions in your Administration, do you think it would be appropriate to appoint a special prosecutor rather than having your own Justice Department look into the matter?

A. That would be up to the Attorney General, with regard to appointing a special investigator. But all of my people who had any knowledge at all of this have been told that they are available to the Justice Department and I told the Justice Department they're available for any questioning they want to do.

Q. Does this mean that the Justice Department is conducting an investigation?

A. Yes, I've called it monitoring, but that's what it amounts to. I've said to find out if there was any wrongdoing and take action. Yes?

## Civil Rights Record

Q. Mr. President, I'm going to look this up. A group of your supporters — black Republicans — charge that your civil rights policies suffer from a lack of substance. They're making accusations as you indicated here in the last press conference. They are urging action to appoint blacks to your Administration, and they want the Attorney General for Civil Rights, William Bradford Reynolds, fired. What are you going to do to address the concerns of your own supporters?

A. Well, I think that if there are supporters of mine who are saying those things, they don't think they're aware of what we are doing on that particular subject and what we have done.

Right now, for example, the Justice Department — school discrimination — is investigating one more case than in the same time in the Carter Administration he was investigating. But at the same time we have investigations going on in eight school districts in the country where we have suspicions of discrimination. We are also continuing cases that have been pending before we were here that are still in litigation that the Justice Department is carrying on with.

Don't know where they can get anything that indicates that we're not — I know that that's the perception — a little bit better than other perception here about a rich man's President. Some one starts creating that perception and keeps on saying it loud enough — pretty soon they get some people believing it. But there is no merit in that at all.

And the attack, for example, on my appointees to the Civil Rights Commission — well Dr. Abrams represented Martin Luther King when he was arrested in Atlanta. Buzwell, who was eight years the President of San Jose State in California, a record of 30 years in the civil rights field, and in 1974 was cited by the San Francisco Board of Supervisors for his work in civil rights.

Q. To follow — what would you call a perception problem when you call of black Republicans met with you people at the White House on May 31 to discuss these things?

A. Well, they discussed them with a number of our appointees who are already there. I would like to have and will make every effort to see that we are doing all that we have done and maybe it'll straighten out some of the false perceptions but some persons — welcome back Anne, glad to see you back.

## Situation in Poland

Q. Do you think that at this point Lech Walesa ought to step back from the leadership role he's taken, and if he does have a reason to believe that he does step back from the limelight and the Solidarity leadership position, that martial law in Poland would prove to the point where you could come through with the kind of relief for the Polish economy you mentioned last week?

A. Ann, I wouldn't be able to answer that because I know that the conversations between General Jaruzelski and His Holiness were private and no one knows, and I know that also were the conversations with Lech Walesa. I don't know what that situation is. I only know what the Pope himself has stated and that is that he has urged the Government of Poland to allow a free union that is not subject to government control. And if they did that, I think we would be very happy that we were doing and turn back from some of those things.

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Sydney Schanberg  
Tuesday and  
Saturday on the  
Op-Ed page

New York  
The politics, the people, the questions and answers.  
New York  
by  
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Saturday on the  
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